



Brasília, May 23, 2024.

# Civil Society Recommendations on International Taxation for G20 Finance Ministers



The undersigned civil society organizations (CSO) welcome the initiative of the Brazilian G20 presidency to receive CSO's proposals on international taxation. The initiative creates an opportunity to find paths for dialogue towards solutions that are in the interest of the people and the planet. We need to build interactive spaces to channel demands and formulate proposals, ensuring transparency, accountability and social participation in international cooperation on fiscal policy. In this context, **we recommend G20 leaders to:**



## International Tax Governance

1. Support the creation and implementation of the United Nations Framework Convention on International Tax Cooperation (UNFCITC).
2. Ensure civil society participation in tax debates and tax decision-making processes.

## Overarching values and guiding principles

3. Incorporate human rights, socio environmental and climate obligations as overarching principles to guide and inform tax decision-making.
4. Decolonize standards on taxation by adopting criteria and measures which promote equity between countries, jurisdictions and regions, and compensate developmental differences and imbalances of power.
5. Incorporate a gender and race/ethnicity approach to tax policies to fight gender and race/ethnicity inequalities.

## Substantive reforms

6. Include in the UNFCITC the creation of a global minimum tax on the super-rich
  7. Include in the UNFCITC the creation of a Financial Transactions Tax
  8. Promote international tax cooperation to facilitate a just and equitable climate transition, including by fostering more equitable trade and investment globally.
  9. Support multilateral taxes to finance climate, environmental and social justice.
  10. Shift resources from tax incentives for fossil fuels to the fight against hunger, climate change, poverty and inequality, and to promote climate justice and just energy transition.
  11. Enhance existing efforts on exchange of information and tax transparency, and work towards the creation of a Global Asset Registry within the UNFCITC.
- 
- 

The world, and particularly developing countries, continue to experience the dramatic consequences of multi-systemic crises (economic, social, climate, energy and health) that have increased poverty, hunger and inequalities. These challenges not only deepen existing disparities but also weaken the ability of nations to finance public services and human rights, address the climate crisis, and improve living standards for the most vulnerable population. Furthermore, the institutions and countries that centralize power impose an international tax architecture that unequally restrains the ability of developing countries to mobilize tax revenues, and limits their capacity to meet current global challenges.

Oxfam's data<sup>1</sup> shows a dramatic reality: economic and social crises serve as lucrative periods for billionaires and ultra-high net-worth individuals. While the fortunes of the five richest men doubled, the pandemic wreaked havoc on the lives and livelihoods of the majority of the people. Likewise, the prolonged and widespread cost of living increases, climate collapse and various social conflicts have shattered the collective wealth of some five billion people and made the wages of nearly 800 million workers unviable. Such stark wealth concentration not only hampers efforts to address pressing global challenges, but also undermines the principles of fairness and justice threatening social cohesion and potentially leading to economic instability.

A key reason for growing inequality is the multiple and complex systems multinationals and the super-rich have created to shift profit and lower their effective tax rate. Tax Justice Network's latest report<sup>2</sup> states that countries are losing \$480 billion in tax a year to global tax abuse (with \$311 billion due to corporate tax abuse by multinationals and \$169 billion due to offshore tax abuse by wealthy individuals). Countries of the Global South are the most harmed by such practices, as these mechanisms not only make the rich richer and more powerful but also shrink the public budget for much-needed public services. Unchecked tax evasion and avoidance further perpetuate a cycle of inequality and undermine the foundation of sustainable economic development.

The G20 and the Organisation for Economic Co-operation and Development (OECD) have been working to develop and expand the Base Erosion and Profit Shifting (BEPS) framework in response to the need to implement a comprehensive tax regime that addresses these and other problems. Some progress has been made in fighting tax evasion and avoidance by creating special mechanisms, strengthening legislation and implementing international agreements to boost tax transparency, such as information exchange, country by country reporting, establishing beneficial ownership registers and other tools. However, BEPS-related efforts are insufficient and far from what is required to achieve a truly fair, inclusive, global and consensus-based tax regime. Global North countries and their jurisdictions are impervious to these rules and their implementation because they highly benefit from opacity, tax and financial secrecy and abuse. Meanwhile, individuals, communities, and peoples living in the Global South suffer most from tax abuse by the very rich and large corporations.

Existing mechanisms and rules of international tax governance have not brought about significant changes to at least meet the commitments of the United Nations's financing for development

---

1 Oxfam, Survival of the Richest, at <https://www.oxfam.org/en/press-releases/richest-1-bag-nearly-twice-much-wealth-rest-world-put-together-over-past-two-years>.

2 The State of Tax Justice 2023, at <https://taxjustice.net/reports/the-state-of-tax-justice-2023/#:~:text=Key%20findings,tax%20abuse%20by%20wealthy%20individuals>.

agendas and related human rights norms. Nor have they improved international tax cooperation, or strengthened the voice and participation of developing countries on an equal footing.

Achieving fair, effective, transparent and inclusive international tax cooperation is urgent and essential. This requires an effective and inclusive institutional and normative framework that will only be possible after the establishment and strengthening of global fiscal mechanisms, led by the United Nations, with participatory mechanisms that include all countries and civil society.

Recognizing the impact of tax resources to achieve justice in all its dimensions – economic, social, labour, political, climate, cultural, racial, gender, and regional, among others – we urge G20 leaders to promote structural changes in global tax policy that foster tax transparency and accountability, promote progressive taxation, and close tax loopholes that facilitate tax evasion and avoidance by multinational corporations and high net-worth individuals. The rationale and scope of our eleven recommendations, grouped into three categories - international tax governance, guiding principles, and substantive issues - is provided below:

## International Tax Governance

### 1. Support the creation and implementation of the United Nations Framework Convention on International Tax Cooperation (UNFCITC)

The mechanisms proposed by the G20 and the OECD favor developed countries, as stressed by the report of the United Nations Secretary-General<sup>3</sup>. Developing countries continue to lose billions of dollars every year, undermining essential resources to finance public policies needed to move towards fairer and more equitable taxation models. This is largely the result of unequal power relations, as the Global South has little or no voice in the OECD; and of the significant influence that certain epistemic communities have in international taxation – which creates barriers to broad public engagement – and of global trade rule that undermine efforts to advance reforms.

Thus, we believe that the United Nations is the fairest, most inclusive and participatory space to discuss and approve tax measures that directly affect all states. We believe that a United Nations Framework Convention on International Tax Cooperation, being currently negotiated<sup>4</sup>, would: (i) establish an international framework on tax; (ii) promote fairness towards developing countries; (iii) contribute to the progressive realization of human rights and the achievement of the Sustainable Development Goals (SDG), and bring more ambition to the Paris Agreement commitments; (iv) ensure transparency, while incorporating the interests, concerns and needs of developing countries; and (v) increase government accountability and public participation<sup>5</sup>.

---

<sup>3</sup> See <https://digitallibrary.un.org/record/4019360?ln=en&v=pdf>.

<sup>4</sup> The UNFCITC formally began in 2023 under the impetus of the African Union which recently joined the G20 as a permanent member. An Ad Hoc Committee is currently drafting Terms of Reference for the Convention.

<sup>5</sup> See <https://globaltaxjustice.org/news/5-reasons-to-establish-a-un-tax-convention-now>.

---

*We recommend that G20 member states fully support and engage constructively in the negotiation of a fair, ambitious and progressive United Nations Framework Convention on International Tax Cooperation (UNFCITC).*

*In line with previous civil society and trade unions demands<sup>6</sup>, we believe that the Convention should address the following key issues:*

- (i) promoting international tax cooperation;*
- (ii) ensuring that tax systems are fair, equitable, progressive, transparent and effective*
- (iii) combating tax-related illicit financial flows;*
- (iv) addressing the unfair allocation of taxing rights that disproportionately affects developing countries;*
- (v) underlining the link between tax policies and the mission of mobilising financing to fulfil international goals, obligations and commitments, including those related to human rights, gender equality, quality public services for all, promotion of well-being and quality of life, climate justice and environmental protection, as well as increasing equity within and between countries.*

*The Convention should also cover the following key priority tax topics, which will be further developed in our remaining recommendations:*

- a) A fundamental reform of the international corporate tax system. The new UNFCITC should aim to replace the current failed transfer pricing system with a new international corporate tax system that ensures that multinationals are taxed as coherent entities, on the basis of their global profit, and that a minimum effective corporate tax rate is introduced. The new corporate tax system must also include a fair reallocation of taxing rights between countries and ensure that corporations are taxed where business activity takes place.*
- b) Taxation of cross-border services in a digitalized and globalised economy.*
- c) Taxation of financial transactions, especially those that are aimed to short term trading, that induce volatility in vulnerable economies. These taxes can be devoted to the just transition, since they have easy collection with no more than 20 places where the bulk of the transactions take place, and can be a source of funds to finance social protection, just transition or environmental projects.*
- d) Taxation of income and wealth of the richest. To reverse the decades of falling tax rates on the rich seen across many countries, and the rise in extreme inequality, the new UN Tax Convention should support countries in building fairer, more progressive tax systems that reduce inequality by taxing the income and wealth of the richest.*

---

<sup>6</sup> See joint civil society and trade unions submission in response to the call for inputs to the work of the Ad Hoc Committee to Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation, at [https://financing.desa.un.org/sites/default/files/2024-03/Civil%20Society%20Financing%20for%20Development%20Mechanism\\_Input\\_AHC%20Tax\\_2.pdf](https://financing.desa.un.org/sites/default/files/2024-03/Civil%20Society%20Financing%20for%20Development%20Mechanism_Input_AHC%20Tax_2.pdf).

- e) *Effective taxation of extractive industries, while giving special attention to the challenges faced by developing countries. Consideration should be given to the rights and needs of communities impacted by extraction, the need to reduce inequalities, as well as to environmental sustainability.*
  - f) *Environmental taxation, including windfall profit taxes for fossil fuel corporations, which is emerging in tax discussions at the national, regional and global levels. The Convention should cover the issue of promoting progressive green taxes, which combine the pursuit of environmental objectives, including removing tax related fossil fuel and other harmful tax subsidies, and the aim to reduce inequalities.*
  - g) *Promotion of progressive taxation and intergovernmental actions in relation to all types of taxes, including personal income tax, consumption taxes, withholding taxes, as well as the option of global tax initiatives.*
  - h) *Shifting fiscal incentives from unhealthy and environmentally harming commodities (such as tobacco, fossil fuels, alcoholic beverages, ultra processed products, pesticides, among others) to fight illnesses, malnutrition, hunger, environmental degradation and climate change.*
- 

## 2. Ensure civil society participation in tax debates and tax decision-making processes

International and national governance on taxation cannot happen without participation of a diverse civil society. Establishing institutional mechanisms for participation is the way to comply with obligations set out in human rights instruments signed by G20 States, which enshrine the principles of transparency, participation and accountability. Notably, civil society participation has been crucial in the Latin American Tax Platform (PT-LAC), as well as fundamental in moving forward with the creation of the UNFCITC.

---

*We recommend G20 members to establish mechanisms for genuine and independent participation of trade unions, movements, and civil society organizations in debates on the reformulation of tax systems and fiscal norms, to ensure transparency and legitimacy of decisions. We also recommend ensuring that institutional mechanisms for participation include those most affected by regressive and unjust tax policies and systems, such as women, indigenous peoples, local communities, afro-descendants, impoverished communities, peasant peoples, LGBTQIAPN+ people, people with disabilities, working people, older persons, migrants, and children, among other historically discriminated populations.*

---

## Overarching values and guiding principles

### 3. Incorporate human rights, socio environmental and climate obligations as overarching principles to guide and inform tax decision-making

Poverty, hunger and inequalities worsened in the world after the Covid-19 pandemic. Despite this, existing mechanisms for international tax cooperation do not focus on addressing inequality. International tax policy should create conditions to increase tax revenues for countries to invest in public policies to respect, protect, and realize human rights, and make appropriate reparations. Human rights provide the key reasons for why states should cooperate internationally in the tax realm. Furthermore, new resources are needed to finance the full implementation of the Paris Agreement and the Sustainable Development Goals (SDGs), which are far from being achieved. The current international tax architecture also contradicts the obligation to mobilize the maximum of available resources (including by expanding States' fiscal space) for the realization of human rights, undertaken by countries in international treaties, constitutions and domestic legislation.

---

*We recommend that G20 members observe their obligations to respect, protect and fulfil human rights and their climate and environmental international commitments; and recognize that the effective and widespread enjoyment of rights should be one of the key purposes of taxation. The G20 needs to commit to strengthening global taxation rules and mechanisms that guarantee human rights and climate justice, with sufficient budgetary allocations that can be adequately monitored using standards of transparency, social participation and accountability. In addition, they should assess the impact of global tax measures on human rights, in particular economic, social, cultural and environmental rights, with an intersectionality perspective.*

---

### 4. Decolonize standards on taxation by adopting criteria and measures which promote equity between countries, jurisdictions and regions, and compensate developmental differences and imbalances of the power

International tax standards are currently formulated by the countries most responsible for tax abuse. Many OECD countries and their dependencies are behind two-thirds of global tax abuses<sup>7</sup>. Standard-setting by the OECD or its members results in lists of tax havens that stigmatize countries in the Global South and obscure the responsibility of those who facilitate illicit financial

---

<sup>7</sup> See <https://cthi.taxjustice.net/en>.

flows. The fact that some United States states and United Kingdom jurisdictions like Delaware and the Cayman Islands were left out of “EU list of non-cooperative jurisdictions for tax purposes” is just an example of a skewed system. Moreover, global taxation mechanisms do not take into account processes of exclusion by gender, race, ethnicity, religion, caste or culture, among others, often contributing to their deepening.

---

*We recommend that G20 members support the UNFCITC adopting credible, objective criteria for determining which countries constitute “tax havens”. States should develop international standards on tax transparency that recognize their institutional capacities. They should also establish cooperation mechanisms that support the transition for countries dependent on the offshore services industry to more diversified and resilient economies.*

---

## 5. Incorporate a gender and race/ethnicity approach to tax policies to fight gender and race/ethnicity inequalities

There are large gaps between men and women around the world in the enjoyment of their rights. This is evidenced by women’s limited access to the labor market with decent conditions and adequate wages, their exclusion from social protection and social security systems, and consequently, their reduced access to wealth and property (leading to both intergenerational and gender inequality). It is reinforced by an unjust social organization that assigns domestic and care work to women (unfairly paid at best, unpaid for most). These tasks sustain life, the community and the functioning of the wider economic system. These inequalities not only persist, but have been exacerbated by the negative effects of the Covid-19 pandemic and the environmental crisis, putting at risk all the gains women have made in recent decades.

The gender impacts of taxation varies widely, but women often bear a disproportionate burden on the tax system and are likely to pay more indirect taxes, such as value-added tax (VAT), which is regressive and disproportionately affects the poorest. Women are also discriminated against in joint filing of income taxes within households with male breadwinners accruing tax credits and/or joint filing structures incentivising women to stay in part-time or low paid work so that the breadwinner can get larger tax rebates. Furthermore, feminine hygiene products are necessities for many women, but many states tax feminine products as luxury items (called pink taxes) while exempting other necessities, like groceries and medicine.

Tax policies are often designed and implemented with a male breadwinner model, which assumes that households have a single male earner who provides for the entire family. This model needs to be updated, given that many homes today have dual earners, with women playing a critical role in providing for their families. However, tax policies that fail to recognize that this reality may result in women being penalized for working and earning an income. And, in general, wealth taxes or taxes on capital income have lower tax rates than other taxes, which privileges mostly men, who are normally the ones that earn this kind of capital income. Overall, a model designed and

implemented by man, hardly will be inclined to find solutions that close the gender gap. This is why these policies and systems need to be updated to be able to "see" different kinds of personal circumstances, especially for women and the types of penalties they face in a "neutral" system.

The actual tax system contributes to increasing the existing North-South gender gap, resulting in more global inequality and thus more gender inequality. And, illicit financial flows also undermine gender equality, for instance, when using the same structures to avoid taxation in order to hide the proceeds of human trafficking.

As most tax systems are regressive, it is the impoverished who pay proportionally more taxes. In addition, the processes resulting from racism and other forms of exclusion contribute to black people and vulnerable ethnic groups paying relatively more taxes. As a result of the multiple oppressions that are potentiated, it is black women who are most penalized by tax systems.

---

*We recommend that G20 members advocate for comprehensive tax measures sensitive to gender inequalities and promote policy frameworks that recognize women in all their diversity. We also recommend adopting intersectional strategies that respond to their specific needs, paying particular attention to the feminization of hunger and poverty. We recommend using tax policy to eliminate gender discrimination and promote substantive gender equality, the recognition of care and a fairer distribution of economic power, including affirmative measures in favour of women. We also recommend using tax policies to eliminate race and ethnic discrimination and to assure race/ethnicity equality. As a first step, governments should commit to producing gender and race/ethnicity disaggregated data and analysis of the impacts of tax policy, to be able to advocate for comprehensive tax measures.*

---



## Substantive reforms

### 6. Include in the UNFCITC the creation of a global minimum tax on the super-rich

The effective tax contributions of high-net-worth individuals or super-rich are often much lower than those of other taxpayers with more modest resources. This often occurs through the use of mechanisms for shifting their wealth to shell companies or tax shelters or structuring their wealth in a way that there are no taxable incomes. For example, a recent report by the EU Tax Observatory<sup>8</sup> estimates that personal taxes for billionaires are 0.5% in the US and as low as 0% in France. This would partially explain the increase in inequality in the world. According to Oxfam, the richest 1% have grabbed almost two-thirds of the new wealth generated since 2020 globally (valued at \$42 trillion), almost twice as much as the remaining 99% of humanity. Over the last decade, the richest 1% have captured around 50% of the new wealth.

Reducing the concentration of wealth and promoting a fairer and more equitable distribution of gains at the global level is thus imperative, in line with the guiding principles discussed above. This mechanism has a clear gendered aspect since women typically own fewer assets than men. We acknowledge the United Nations Committee of Experts on International Cooperation in Tax Matters for its dedication to formulating practical guidance on wealth taxation policies and celebrate the fact that the Committee will begin working on a blueprint for a wealth tax law.

---

*We recommend that G20 members support, within the UNFCITC, the creation of a global minimum tax on the super-rich with political guarantees that the resources raised through this mechanism will be allocated for the realization of human rights, in particular in impoverished countries of the Global South.*

---

### 7. Include in the UNFCITC the creation of a Financial Transactions Tax

Since the global financial crisis of 2010 the speed and volume of speculative financial transactions skyrocketed, not only in terms of amount, also in its dynamic with movements, buy backs, extremely short term investments, new instruments, which increased the volatility of markets, especially in emerging economies that are facing a new round of a debt crisis, at the same time that induced risky behaviour and distracted funds from the production of goods and services, to the mere speculative endeavours.

---

<sup>8</sup>See <https://www.taxobservatory.eu>.

The tax on financial transactions (FTT) has the particularity of the concentration in these transactions in no more than 20 exchanges worldwide, hence, easy to collect in real time and put in a special account that would later be devoted to targeted goals. The implementation of a tax on financial transactions (stocks, shares, bonds, etc.) would reduce this volatility and risky behaviour, provide the funds for especial and alternative investments in the framework of a fair transition to the new economy.

---

*We recommend that G20 members support, within the UNFCITC, the implementation of a tax on financial transactions.*

---

## 8. Promote international tax cooperation to facilitate a just and equitable climate transition, including by fostering more equitable trade and investment globally

The world is evolving rapidly, and economies globally are getting more interconnected. These changes, driven by geopolitical shifts, technological progress, and economic factors, add layers of complexity to the already intricate world of international tax and trade. Inextricably, tax and trade policies are linked. Tax can be an investment determinant, influencing the attractiveness of a location or an economy for international investors, particularly those heavily engaged in international trade. Tax uncertainty compounds the already high levels of uncertainty in the global trade environment.

On the downside, the disparities in economic development and growing inequalities in the distribution of income and wealth continue to manifest due to unfavourable policies that are skewed towards the protection and promotion of the interests of developed nations at the expense of the needs and aspirations of developing countries. This is more pronounced in the context of African countries, where the potential for economic growth is immense yet stifled by unfavourable international economic policies and practices. This calls for development and establishment of a UNFCITC that bridges the gap between international tax and the realities of trade and investment in African countries. This nexus will be critical for fostering economic development and addressing the deep inequalities that pervade the global economy causing harmony between the international tax governance and the trade and investment needs of African countries unlocking a new era of prosperity and equity that benefits the continent and the world at large.

---

*We recommend that G20 members commit to implementing fair and transparent tax policies that promote both intra and inter-trade by ensuring equitable treatment of domestic and international investments. This can be achieved through the establishment of policy frameworks and protocols that minimize tax distortions and barriers to trade while at the same time deter harmful tax practices that facilitate tax evasion and avoidance. More still, an obligation should be imposed on countries to review their existing Double Tax Treaty Networks and investment agreements, and renegotiate, or terminate any treaties that don't align with these commitments under the Convention. The spirit of this obligation is to foster policy coherence, increase the effectiveness of the Convention, promote equitable allocation of taxing rights, and foster an international tax governance system that responds to the needs of developing economies and fosters equitable distribution of investment opportunities.*

---

## 9. Support multilateral taxes to finance climate, environmental and social justice

To move forward faster, a set of ambitious countries can introduce international taxes and collect resources to fulfil human rights and environmental and climate justice. Indeed, many countries and most people support global taxation policies. This is the purpose of the recently created Regional Platform for Tax Cooperation in Latin America and the Caribbean. Besides, the African Union adopted the declaration of Nairobi last year, which urges world leaders to rally behind the proposal for a global carbon taxation regime<sup>9</sup>. At the last G20 meeting, the President of the EU Commission similarly invited leaders to join the call for global carbon pricing.<sup>10</sup> Furthermore, representative surveys in G20 countries reveal that 73% (in the U.S.) to 98% (in China) support a global tax on millionaires to finance low-income countries and that majorities in every country support a global carbon price rebated on an equal per capita basis.<sup>11</sup>

---

*We recommend that G20 members support within the UNFCITC the creation of an international taxation regime, with at least half of the revenues generated being devoted to financing actions in low- or middle-income countries towards the achievement of climate justice and the progressive realization of human rights. Different instruments can fulfil this purpose, such as a wealth tax, a financial transactions tax, a corporate income tax, an aviation tax, a tax on maritime fuel, or carbon pricing mechanisms.*

---

---

<sup>9</sup> “We urge world leaders to rally behind the proposal for a global carbon taxation regime including a carbon tax on fossil fuel trade, maritime transport and aviation, that may also be augmented by a global financial transaction tax (FTT) to provide dedicated affordable and accessible finance for climate positive investments at scale and ring-fencing of these resources and decision making from geopolitical and national interests”, at <https://media.africaclimatesummit.org/NAIROBI+Declaration+FURTHER+edited+060923+EN+920AM.pdf>.

<sup>10</sup> See <https://twitter.com/vonderleyen/status/1700416700238225659>.

<sup>11</sup> See [http://faere.fr/pub/WorkingPapers/Fabre\\_Douenne\\_Mattauch\\_FAERE\\_WP2023.08.pdf](http://faere.fr/pub/WorkingPapers/Fabre_Douenne_Mattauch_FAERE_WP2023.08.pdf).

Relatedly, the G20 decision on a Roadmap on Crypto Assets provides a policy framework within which to increasingly mobilize new revenue. They are responding to concerns that “widespread adoption of crypto assets could threaten global financial stability.”<sup>12</sup> This G20 initiative provides an entry point for international taxation of crypto trading. Trading in crypto assets (including purchases and sales of crypto “coins” using conventional fiat money or investment in non-fungible tokens (NFTs) and other crypto-denominated assets) only partly falls within the tax collector’s purview. Two common types of taxes should be extended to crypto asset trading: taxing of profits from the purchase and sale of financial assets, and taxing the trading activity itself, imposing a financial transaction tax. A 2023 IMF staff working paper<sup>13</sup> estimated that if the tax rate applied under the European Commission plan to tax financial transactions (0.1%) would be applied to all crypto transactions in 2021, it would have mobilised around \$15.8 billion. These additional resources could i.a. support the Global Alliance against Hunger and Poverty, proposed by President Lula da Silva.

---

*We recommend that G20 members include profits from crypto trading in their income taxation systems and collect a common, small transaction tax from all registered crypto trading platforms around the world.*

---

## 10. Shift resources from tax incentives for fossil fuels to the fight against hunger, climate change, poverty and inequality, and to promote climate justice and just energy transition

Governments globally have made bold commitments to address climate change, yet they continue to pour billions of dollars every year into the production and consumption of fossil fuels, the biggest contributor to the climate crisis. In 2022, public financial support for fossil fuels, in the form of subsidies, investments by state-owned enterprises (SOEs), and lending from public financial institutions, exceeded USD 1.7 trillion globally—a record high<sup>14</sup>.

The G20 committed in 2009 to phase out and rationalise fossil fuel subsidies in the medium-term. However, these commitments have not been achieved. Existing data demonstrates that the gap between commitments and implementation of public financial support has become a yawning chasm. Furthermore, in line with the guiding principles discussed above, the elimination of tax incentives for fossil fuels should be done after assessing and addressing the impacts of these measures on lower-income groups; and paired with appropriate compensatory mechanisms to prevent or mitigate its potentially regressive impacts.

---

<sup>12</sup> [IMF and the Financial Stability Board Synthesis Paper for the G20, 07.Sept.2023.](#)

<sup>13</sup> [https://www.imf.org/en/Publications/WP/Issues/2023/06/30/Taxing-Cryptocurrencies-535510.](https://www.imf.org/en/Publications/WP/Issues/2023/06/30/Taxing-Cryptocurrencies-535510)

<sup>14</sup> [https://www.iisd.org/publications/report/burning-billions-record-fossil-fuels-support-2022#.](https://www.iisd.org/publications/report/burning-billions-record-fossil-fuels-support-2022#)

---

*We recommend that G20 members adopt a specific timeline for eliminating fossil-fuel related tax incentives, bearing in mind the G7 goal to phase out fossil fuel subsidies by 2025, and the need to show leadership by fully implementing reforms before 2030, the date agreed upon by all United Nations members under SDG 12. We also recommend redirecting fossil fuel subsidy savings to fight hunger, poverty and inequality and to promote climate justice and just energy transition (all G20 priorities under the Brazilian presidency).*

---

## 11. Enhance existing efforts on exchange of information and tax transparency, and work towards the creation of a Global Asset Registry within the UNFCITC

Ongoing efforts related to the automatic exchange of bank information have had relevant impacts on tax abuse<sup>15</sup>. However, more remains to be done to harness the full potential of tax cooperation. For example, lower-income countries are still excluded from multiple mechanisms of international tax cooperation, due to stringent reciprocity requirements.<sup>16</sup> It is unacceptable that these countries, which face the highest risks of illicit financial flows, remain excluded from the system. Another challenge is the funding to implement automatic exchange of information and exploiting such information, all of it while safeguarding confidentiality throughout the process. Moreover, cheaper automatic exchange of information possibilities (e.g. on withholding taxes) has a limited adoption by central countries. Furthermore, several loopholes weaken existing mechanisms. For instance, the United States' refusal to join the “Common Reporting Standard” has hindered the efficiency of this measure. In addition, tax cooperation currently relies on financial institutions sharing information with tax authorities. Sanctions and oversight must be comprehensively applied to make sure the system works. Sharing disaggregated statistics on the implementation and evaluation of existing efforts would also help authorities, researchers and civil society to make sure this trove of new data is being used effectively<sup>17</sup>.

Several assets are still excluded from the reporting mechanisms, such as real-estate and crypto<sup>18</sup>. Furthermore, information on the ownership and value of different assets exists but remains scattered in private companies, banks, fragmented national beneficial ownership registries, central securities depositories, and financial authorities. More efforts need to be done to correctly identify assets, and connect them to beneficial ownership information. The dispersion of information across different institutions facilitates tax evasion, avoidance and money laundering.

---

<sup>15</sup> See, e.g., EU Tax Observatory, Global Tax Evasion Report 2024, at <https://www.taxobservatory.eu/publication/global-tax-evasion-report-2024/>.

<sup>16</sup> United Nations Secretary General. ‘Our Common Agenda Policy Brief 6: Reforms to the International Financial Architecture’, May 2023. p. 30. <https://www.un.org/sites/un2.un.org/files/our-common-agenda-policy-brief-international-finance-architecture-en.pdf>.

<sup>17</sup> The Convention on Mutual Administrative Assistance in Tax Matters would need to be changed for a more global publication of statistics, as it restricts the use of information for statistical purposes in its Article 22 without prior authorisation of the country sending the information to another country.

<sup>18</sup> A joint statement on the Implementation of the Crypto-Asset Reporting Framework (CARF) was signed in November 2023 by 58 countries.

The creation of a unified global asset registry could help tackle the issue: centralization of extended classes of data would help link information across registers for different types of assets.

Similarly, tax abuse often occurs through “triangulations” in international transactions after which financial and commercial gains are artificially shifted to low-tax jurisdictions, representing significant losses to a country's balance of payments, tax revenue and the Gross Domestic Product. Still, these problems are not resolved in practice with the current tax legislation based on transfer pricing and the principle of universal taxation, as many defenders of these laws argue. In reality, multinational enterprises are unitary entities and should be taxed as such. Tax and customs authorities should therefore intensify their exchange information on international trade transactions.

In this scenario, there is a clear and urgent need to expand efforts on exchange of information. Such measures should first and foremost ensure that tax cooperation is, overall, fair and cognizant of the different interests and capacities of all countries.

---

*We recommend that G20 members expand the scope of existing efforts on exchange of information. They should, for example, advance in the automatic exchange of information on international trade transactions through electronic systems that allow countries to access information on imports and exports carried out between them, enabling information to be crossed by Tax Administrations. They should also advance measures to exchange information on various classes of assets, and move forward in the creation of a public, global asset registry. Finally, G20 members should significantly enhance tax transparency, including on the information they already exchange. All these measures should be carried out through the UNFCITC, considering that the UN is the appropriate space to adequately represent the interests of both developed and developing countries in inclusive manners, and that States already report statistical elements on commodity trade to the UN.*

---

# Subscribing organisations

## *Global South Organizations*

1. CT Promoção da Saúde
2. Associação Brasileira de ONGs (ABONG)
3. Central Única dos Trabalhadores (CUT)
4. Centro de Estudios de Derecho, Justicia y Sociedad (Dejusticia)
5. Centro de Pesquisa em Macroeconomia das Desigualdades - Made/USP
6. Confederación Sindical de Trabajadores/as de las Américas (CSA)
7. CooperAcción
8. Fase - Solidariedade e Educação
9. Força Sindical
10. Fundar - Centro de Análisis e Investigación
11. Gestos
12. Grupo de Justicia Fiscal Perú
13. GT Agenda 2030
14. Initiatives for Dialogue and Empowerment through Alternative Legal Service (IDEALS)
15. Instituto de Estudos Socioeconômicos (Inesc)
16. Instituto de Justiça Fiscal (IJF)
17. Instituto Equit - Gênero, Economia e Cidadania Global
18. Movimento Nacional de População de Rua do Rio de Janeiro (MNPR/RJ)
19. Movimiento Tzuk Kim-pop, Guatemala
20. Observatório Social do Mato Grosso
21. Oxfam Brasil
22. Plataforma Justa
23. Pólis - Instituto de Estudos, Formação e Assessoria em Políticas Sociais
24. Red de Justicia Fiscal de América Latina y El Caribe (RJFALC)
25. Red Latinoamericana por Justicia Económica y Social (Latindadd)
26. Rede Brasileira pela Integração dos Povos (Rebrip)
27. Southern and Eastern Africa Trade, Information and Negotiations Institute (SEATINI), Uganda.
28. Tax Justice Network Africa (TJNA)
29. Trade Justice Pilipinas
30. Transforma/Instituto de Economia/Unicamp
31. WomanHealth, Philippines

## *International Organizations*

32. Center for Economic and Social Rights (CESR)
33. Centre for International Corporate Tax Accountability and Research (CICTAR)
34. Global Alliance for Tax Justice - Alianza Global por la Justicia Fiscal
35. Global Initiative for Economic, Social and Cultural Rights (GI-ESCR)
36. Global Redistribution Advocates
37. Greenpeace
38. Iniciativa por los Principios de Derechos Humanos en la Política Fiscal
39. International Budget Partnership (IBP)
40. International Trade Union Confederation (ITUC)
41. New Economics Foundation (NEF)
42. One Family Foundation
43. Public Services International (PSI)
44. SocDevJustice
45. Tax Justice Network (TJN)